Record participation rate in July, as unemployment rate rises to 4.2%

Media Release

Released 15/08/2024

Source: Labour Force, Australia, July 2024

The seasonally adjusted unemployment rate rose 0.1 percentage point to 4.2 per cent in July, according to data released today by the Australian Bureau of Statistics (ABS).

Kate Lamb, ABS head of labour statistics said: "The unemployment rate rose to 4.2 per cent in July, with the number of unemployed growing by 24,000 people and employed by around 58,000. This combined increase lifted the participation rate to a record high of 67.1 per cent.

"The employment-to-population ratio rose by 0.1 percentage point to 64.3 per cent, indicating employment growth was faster than population growth, and was just below the historical high of 64.4 per cent in November 2023.

"Although the unemployment rate increased by 0.1 percentage point in each of the past two months, the record hi participation rate and near record high employment-to-population ratio shows that there continues to be a high number of people in jobs, and looking for and finding jobs.

"While unemployment increased to 637,000 people in July, the highest it has been since November 2021, it remains around 70,000 people below its pre-pandemic level.

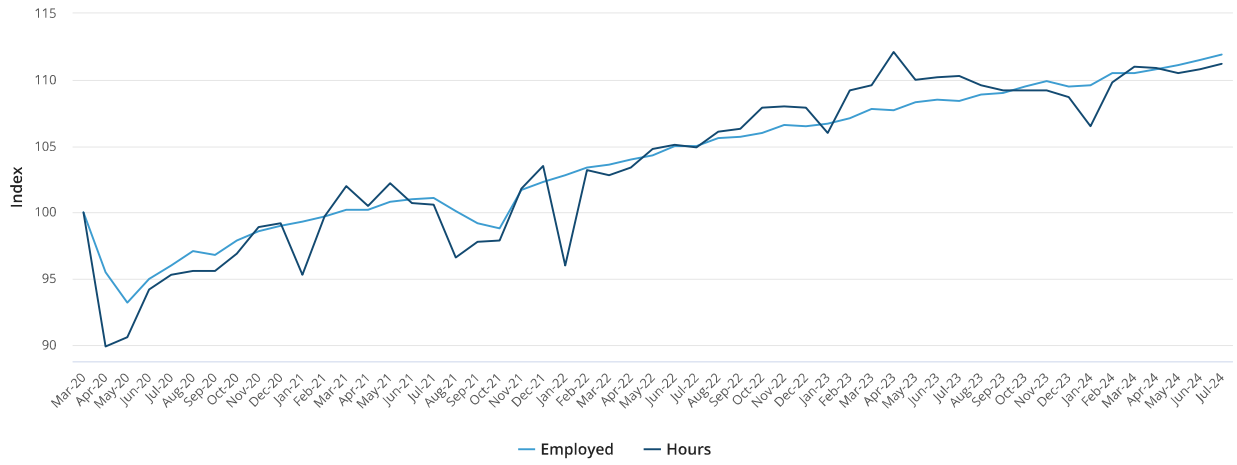
"The unemployment rate of 4.2 per cent was also the highest since November 2021, but was 1.0 percentage point lower than March 2020," Ms Lamb said.

Hours worked and underemployment

Seasonally adjusted monthly hours worked rose by 0.4 per cent, in line with the 0.4 per cent increase in employment.

Seasonally adjusted employment and hours worked, indexed to March 2020

Feedback



Source: Labour Force, Australia, Tables 1 and 19

Feedback

"In July, the proportion of employed people who worked reduced hours due to illness was 4.2 per cent, similar to what we saw in May and June. This continues to remain higher than the 5-year pre-pandemic July average of 3.6 per cent," Ms Lamb said.

"However, we also continue to see this balanced by slightly lower than usual reporting of some other reasons that people work less hours than usual, such as people taking annual leave."

The growth in hours worked contributed to a 0.1 percentage point fall in the underemployment rate, down to 6.3 per cent in July. This was 0.1 percentage point lower than July last year, and 2.4 percentage points lower than March 2020.

The underutilisation rate, which combines the unemployment and underemployment rates, rose slightly to 10.6 per cent. This was 0.3 percentage point higher than July 2023 and 3.4 percentage point lower than March 2020.

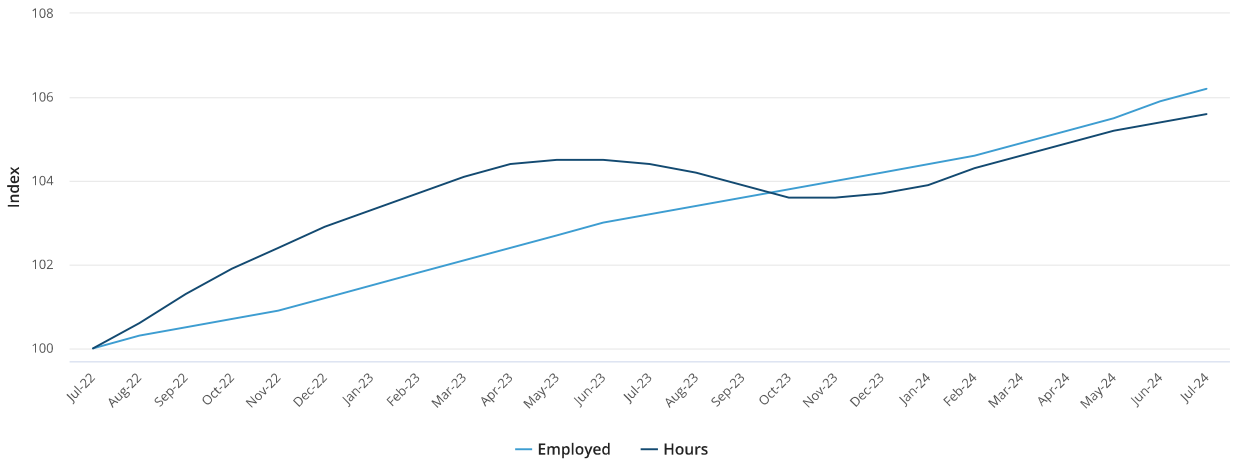
Underlying trend data

The trend unemployment rate rose less than 0.1 percentage point to 4.2 per cent in July.

In trend terms, employment grew by 48,000 people (0.3 per cent), which was faster than the 20-year pre-pandemic average (0.2 per cent).

Hours worked grew 0.2 per cent between June and July, slightly slower than the increase in employment.

Trend employment and hours worked, indexed to July 2022



Source: Labour Force, Australia, Tables 1 and 19

Feedback

“Monthly growth in employment has remained at 0.3 per cent since March 2024, and is above the 20-year pre-pandemic average of 0.2 per cent,” Ms Lamb said.

The employment-to-population ratio rose 0.1 percentage point to a record high of 64.3 per cent, with employment increasing slightly faster than population growth, and was 2.1 percentage points higher than March 2020.

The participation rate rose 0.1 percentage point to a historical high of 67.1 per cent and was 1.5 percentage points higher than in March 2020.

The underemployment rate remained at 6.4 per cent and the underutilisation rate fell by less than 0.1 percentage point to 10.5 per cent.

"The employment and participation measures remain historically high while unemployment and underemployment measures remain historically low, compared with what we saw before the pandemic. This suggests the labour market remains quite tight,” Ms Lamb said.

More information will be available in the upcoming July 2024 issue of Labour Force, Australia, Detailed, on Thursday 22 August 2024, including modelled regional labour market data.

The ABS would like to thank Australians for their continued support in responding to our surveys.

Media notes

- The July survey reference period is from 30 June 2024 to 13 July 2024.
- The August survey reference period is from 4 August 2024 to 17 August 2024.
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